

# MCKINNEY COMMUNITY DEVELOPMENT CORPORATION

## Grant Application

Fiscal Year 2013

### IMPORTANT:

- Please read the McKinney Community Development Corporation Grant Guidelines prior to completing this application.
- Application is available at [www.mckinneycdc.org](http://www.mckinneycdc.org); by calling 214.544.0296 or by emailing [cgibson@mckinneycdc.org](mailto:cgibson@mckinneycdc.org)
- Please call to discuss your plans for submitting an application in advance of completing the form provided. Completed application and all supporting documents are required to be submitted electronically or on a CD for consideration by the MCDC board. Please submit the application to:

McKinney Community Development Corporation  
5900 S. Lake Forest Blvd., Suite 110  
McKinney, TX 75070

- *If you are interested in a preliminary review of your project proposal or idea, please complete and submit the **Letter of Inquiry** form, available at [www.mckinneycdc.org](http://www.mckinneycdc.org), by calling 214.544.0296 or emailing [cgibson@mckinneycdc.org](mailto:cgibson@mckinneycdc.org).*

*Applications must be completed in full, using this form, and received by MCDC, electronically or on a CD, by 5:00 p.m. on the date indicated in schedule below.*

### Please indicate the type of funding you are requesting:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Project Grant</b><br>Quality of Life projects that advance the mission of MCDC and are eligible for funding in accordance with the Type B sales tax statute (refer to examples in Grant Guidelines). | <input type="checkbox"/> <b>Promotional Activity or Community Event Grant (maximum \$15,000)</b><br>Initiatives, activities and events that promote the City of McKinney for the purpose of developing new or expanded business opportunities and/or tourism – and enhance quality of life for McKinney residents. |
|--|--|

### Promotional Activity and/or Community Event Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: December 20, 2012	January 2013	February 2013
Cycle II: June 28, 2013	July 2013	August 2013

### Project Grants:

Application Deadline	Presentation to MCDC Board	Board Vote and Award Notification
Cycle I: January 31, 2013	February 2013	March 2013
Cycle II: April 30, 2013	May 2013	June 2013
Cycle III: July 31, 2013	August 2013	September 2013

## APPLICATION

### ORGANIZATION INFORMATION

Name: McKinney Sports Connection

Federal Tax I.D.: 20-8698624

Incorporation Date: 2-28-05

Mailing Address: 2813 Madison dr

City Melissa

ST: TX

Zip: 75454

Phone: 972-832 9253

Fax:

Email:

Paul@mckinneysportsconnection.org

Website: www.Mckinneysportsconnection.org

### Check One:

Nonprofit – 501(c) Attach a copy of IRS Determination Letter

Governmental entity

For profit corporation

Other

Professional affiliations and organizations to which your organization belongs: NA

### REPRESENTATIVE COMPLETING APPLICATION:

Name: Paul Anderson

Title: President

Mailing Address: 2813 Madison dr

City: Melissa

ST: TX

Zip: 75454

Phone: 972-832-9253

Fax:

Email:

Paul@mckinneysportsconnection.org

**CONTACT FOR COMMUNICATIONS BETWEEN MCDC AND ORGANIZATION:**

Name: Paul Anderson

Title: President

Mailing Address: 2813 Madison dr

City: Melissa

ST: TX

Zip: 75454

Phone: 972-832-9253

Fax:

Email:

Paul@mckinneysportsconnection.org

**FUNDING**

- **Total amount requested:**
- Requesting MCDC to provide assistance and Guaranty so MSC can acquire a \$11,981,316.00 construction loan
- MCDC or City to provide a 9 acres at Gabe Nesbitt Park with room to expand at no cost
- MCDC to provide initial operating capital of \$250,000.00 for the opening year
- MCDC to cover short-term operating shortfall during the first three (3) years which is projected to be approx. \$500,000.00

**PROJECT/PROMOTIONAL ACTIVITY/COMMUNITY EVENT**

Start Date: June 1, 2013

Completion Date: October 30, 2014

**BOARD OF DIRECTORS** *(may be included as an attachment)*

**LEADERSHIP STAFF** *(may be included as an attachment)*

**Paul Anderson**

**President**

**Michelle Pitman**

**Administration**

**William Duke**

**Football director**

Using the outline below, provide a written narrative no longer than 7 pages in length:

\*\*\*\*\* PLEASE REFER TO THE ATTACHED NARRATIVE\*\*\*\*\*

**I. Applying Organization**

Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers.

Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotional Activity/Community Event for which funds are requested.

**II. Project or Promotional Activity/Community Event (whichever is applicable)**

- Outline details of the Project/Promotional Activity/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience.
- **For Promotional Grants/Community Events** – describe how this initiative will promote the City of McKinney for the purpose of business development and/or tourism.
- Describe how the proposed Project/Promotional Activity/Community Event fulfills strategic goals and objectives for the organization.
- Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.
- What is the venue/location for Project/Promotional Activity/Community Event?
- Provide a timeline for the Project/Promotional Activity/Community Event.
- Detail goals for growth/expansion in future years.

**Project Grants – please complete the section below:**

- |                             |   |                             |
|-----------------------------|---|-----------------------------|
| • An expansion/improvement? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A replacement/repair?     | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| • A multi-phase project?    | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| • A new project?            | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

**Has a feasibility study or market analysis been completed for this proposed project?** *If so, please attach a copy of the Executive Summary.*

**Provide specific information to illustrate how this Project/Promotional Activity/Event will enhance quality of life and further business development in the City of McKinney, and support one or more of MCDC's goals:**

- Develop and strengthen community amenities to improve quality of life
- Support projects eligible for Type B support under state law
- Contribute to economic development within McKinney
- Strengthen relationships with our partners
- Maintain financial sustainability

**Has a request for funding, for this Project/Promotional Activity/Community Event, been submitted to MCDC in the past?**

Yes  No

**III. Financial**

- Provide an overview of the organization’s financial status including the impact of this grant request.
- Please attach your budget for the current year and audited financial statements for the preceding two years. If financials are not available, please indicate why.

**What is the estimated total cost for this Project/Promotional Activity/Community Event?**

**Total amount requested:**

- Requesting MCDC to provide assistance and Guaranty so MSC can acquire a \$11,981,316.00 construction loan;
- MCDC or City to provide a 9 acres at Gabe Nesbitt Park with room to expand at no cost;
- MCDC to provide initial operating capital of \$250,000.00 for the opening year; and
- MCDC to cover short-term operating shortfall during the first three (3) years which is projected to be approx. \$500,000.00

**(Please include a budget for the proposed Project/Promotional Activity/Community Event.)**

**What percentage of Project/Promotional Activity/Community Event funding will be provided by the Applicant? -0-**

**Are Matching Funds available?**  Yes  No

Cash \$	Source	% of Total
In-Kind \$	Source	% of Total

**Are other sources of funding available?** *If so, please list source and amount.*

**Have any other federal, state, or municipal entities or foundations been approached for funding?** *If so, please list entity, date of request and amount requested.*

#### **IV. Marketing and Outreach**

Describe marketing plans and outreach strategies for your organization and for the Project/Promotional Activity/Community Event for which you are requesting funding – and how they are designed to help you achieve current and future goals.

#### **V. Metrics to Evaluate Success**

Outline the metrics that will be used to evaluate success of the proposed Project/Promotional Activity/Community Event. If funding is awarded, a final report will be required summarizing success in achieving objectives outlined for the event.

### **Acknowledgements**

*If funding is approved by the MCDC board of directors, Applicant will assure:*

- The Project/Promotional Activity/Community Event for which financial assistance is sought will be administered by or under the supervision of the applying organization;
- All funds awarded will be used exclusively for the purpose described in this application;
- MCDC will be recognized in all marketing, outreach, advertising and public relations as a funder of the Project/Promotional Activity/Community Event. Specifics to be agreed upon by applicant and MCDC and included in an executed Performance Agreement;
- Organization's officials who have signed the application are authorized by the organization to submit the application;
- Applicant will comply with the MCDC Grant Guidelines in executing the Project/Promotional Activity/Community Event for which funds were received.
- A final report detailing the success of the Project/Promotional Activity/Community event, as measured against identified metrics, will be provided to MCDC no later than 30 days following the completion of the Project/Promotional Activity/Community Event.
- Up to 80% of the approved grant may be provided, on a reimbursement basis, prior to conclusion of the Project/Promotional Activity/Community Event with submission of invoices/receipts to MCDC. The final 20% will be forwarded upon MCDC's receipt of unpaid invoices/receipts; documentation of fulfillment of obligations to MCDC; and final report on the Project/Promotional Activity/Community Event.
- The required performance agreement will contain a provision certifying that the applicant does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. Further, should the applicant be convicted of a violation under 8 U.S.C. § 1324a(f), the applicant will be required to repay the amount of the public subsidy provided under the agreement plus interest, at an agreed to interest rate, not later than the 120<sup>th</sup> day after the date the MCDC notifies the applicant of the violation.

**[Signatures on following page]**

**We certify that all figures, facts and representations made in this application, including attachments, are true and correct to the best of our knowledge.**

**Chief Executive Officer**

  
\_\_\_\_\_  
Signature

Printed Name *PAUL ANDERSON*

Date *4/30/13*

**Representative Completing Application**

  
\_\_\_\_\_  
Signature

Printed Name *PAUL ANDERSON*

Date *4/30/13*

***INCOMPLETE APPLICATIONS, OR THOSE RECEIVED AFTER THE DEADLINE, WILL NOT BE CONSIDERED.***



## **CHECKLIST:**

### **Completed Application:**

- Use the form/format provided
- Organization Description
- Outline of Project/Promotional Activity/Community Event; description, goals and objectives
- Project/Promotional Activity/Community Event timeline
- Plans for marketing and outreach
- Evaluation metrics
- List of board of directors and staff

### **Attachments:**

- Financials: organization's budget for current fiscal year; Project/Promotional Activity/Community Event budget; audited financial statements
- Feasibility Study or Market Analysis if completed (Executive Summary)
- IRS Determination Letter (if applicable)

***A FINAL REPORT IS TO BE PROVIDED TO MCDC WITHIN 30 DAYS OF THE EVENT/COMPLETION OF THE PROJECT/PROMOTIONAL ACTIVITY/COMMUNITY EVENT.***

***PLEASE USE THE FORM/FORMAT OUTLINED ON THE NEXT PAGE.***





## **McKINNEY COMMUNITY DEVELOPMENT CORPORATION**

### **Final Report**

**Organization:**

**Funding Amount:**

**Project/Promotional Activity/Community Event:**

**Start Date:**

**Completion Date:**

**Location of Project/Promotional Activity/Community Event:**

**Please include the following in your report:**

- Narrative report on the Project/Promotional Activity/Community Event
- Identify goals and objectives achieved
- Financial report – budget as proposed and actual expenditures, with explanations for any variance
- Samples of printed marketing and outreach materials
- Screen shots of online promotions
- Photographs, slides, videotapes, etc.
- Evaluation against metrics outlined in application

**Please submit Final Report no later than 30 days following the completion of the Project/Promotional Activity/Community Event to:**

McKinney Community Development Corporation  
5900 S. Lake Forest Blvd., Suite 110  
McKinney, TX 75070

Attn: Cindy Schneible  
[cschneible@mckinneycdc.org](mailto:cschneible@mckinneycdc.org)

# MCDC Grant Application

## I. Applying Organization

### **A. Describe the mission, strategic goals and objectives, scope of services, day to day operations and number of paid staff and volunteers:**

McKinney Sports Connection is a non-profit organization founded in 2004 and operates recreational youth leagues for volleyball, basketball, tackle football, flag football, and cheerleading. It also holds the distinction of being a “recognized sports provider” for the city of McKinney, Texas. This plan outlines an expansion for the organization, primarily involving a single new facility. The organization is working to build a large indoor facility with basketball, volleyball, and soccer under one roof.

After the expansion, recreational sports leagues will be available for children aged 4 to 18, as will a limited number of recreational leagues for adults. Additional revenue streams will come from renting facilities to competitive teams for practices and games, as well as from hosting tournaments.

The organization has experienced continual success and currently does not have enough access to sports facilities to meet the demands of players. Therefore, McKinney Sports Connection is requesting funding for an expansion, including a new state-of-the-art facility with courts for basketball and volleyball, as well a turf field that will be indoors.

In addition to President Paul Anderson, MSC will also now require an Operations Manager. This individual must have a passion for working with kids of all ages and have experience with both recreational and competitive leagues. A Financial Manager will be charged with balancing the needs of the recreational players and the expenses of the organization along with the opportunities for additional revenue streams. In addition, several part-time employees will be required for the registration desk, custodial duties, concession stand, and shop. Luckily, MSC currently has a strong volunteer base, and many of these duties, as well as set-up of courts, can be handled by dedicated volunteers. Providing online registration also limits the required duties of the registration desk, as 95 percent of players currently register online.

### **B. Disclose and summarize any significant, planned organizational changes and describe their potential impact on the Project/Promotional Activity/Community Event for which funds are requested:**

The construction and operation of the new facility will be the primary impact on the organization. However, MSC outsources officiating to North Texas Sports Officials but with the new facility, MSC intends to have an experienced Officials Manager who would supervise the work of all officials during games. With a large number of divided courts, a manager will be crucial to ensuring that all officials are on task and not engaging in distracting behavior like texting or leaving their posts. If MSC is to attract select teams and competitive tournaments, the quality of officials will be more important than ever before.

## **II. The Project**

### **A. Outline details of the Project/Promotional Activity/Community Event for which funds are requested. Include information regarding scope, goals, objectives, target audience:**

At this time, the greatest need for space is for indoor sports, which will be the focus of the initial expansion. Approximately 99,000 square feet will be needed to accommodate projected demand. The facility will include 10 to 12 basketball courts, which can also be used as volleyball courts.

Upon entering the building, there will be a registration desk and waiting area to one side and a concession area offering healthy snacks to the other side. Free wireless access will be available, particularly for the convenience of waiting parents. A small shop will also offer essentials including mouthpieces and knee pads. Straight ahead will be the basketball/volleyball courts, and at the rear of the building will be one full, indoor-size soccer field. When the field is not needed for games, this large area can be divided into smaller fields for children or for camps and athletic training. Dance, cheerleading, martial arts, baseball, and indoor football are also options on this field, with the added benefits of artificial turf and no weather issues.

One unique feature of the courts at MSC is that they will be separated by gym dividers. These dividers store compactly at the roof of the facility and roll down electronically as needed. An exact model of curtain will be chosen according to construction specifications at a later point; however, MSC intends to purchase a model with sound-dampening features, such as those manufactured by Porter Athletics. Sound dampening will distinguish MSC from others in the competition where athletes have multiple courts to play on, but must contend with distracting noises from one court to the next. This will be extremely important to select leagues and hosts of tournaments as they consider venues, giving MSC a distinct competitive advantage over other facilities and increase the likelihood of teams, coaches, and players spending time, and money, in McKinney.

### **B. For Promotional Grants/Community Events – describe how this initiative will promote the City of McKinney for the purpose of business development and/or tourism:**

While local kids benefit, the entire city will benefit economically from the facility. In the first ten months of 2012, a similar facility in Frisco, Fieldhouse-USA, generated an estimated \$17.6 million in economic impact for Frisco. Nearly 280,000 guests attended an event at the facility during the same time period.

### **C. Describe how the proposed Project/Promotional Activity/Community Event fulfills strategic goals and objectives for the organization. Please also include planned activities, time frame/schedule, and estimated attendance and admission fees if applicable.**

While MSC will not organize select teams of its own, such teams will be allowed to rent facilities for practices, games, and tournaments. Renting is an excellent opportunity for both sides: MSC brings in additional income to enhance its recreational leagues, and outside leagues are able to use large, comfortable, state-of-the-art facilities. Presently, many select leagues in towns north of McKinney drive through McKinney to use facilities in Plano or Frisco. Organization, ample courts/fields, good officials, and high-quality facilities will certainly attract this key target market.

The busiest hours for recreational leagues will be weekdays from 4 pm to 9 pm for younger players and up to midnight for adults. Saturdays, as well as Sunday afternoons, will typically be booked with games and tournaments. Weekdays will be available for a variety of possible activities in order to maximize revenues. Exact schedules will be determined based on the number of kids in each activity and the number of teams in tournaments, which will likely vary throughout the year. The facility is expected to host events nearly every weekend year-round.

With such a large and versatile facility in this growing area, MSC has the potential to be constantly in-use. The recreational leagues, as well as competitive games and tournaments described above, will be the main focus of MSC's operations. However, MSC is considering a variety of possibilities to fill available court space and maximize revenue. These include additional leagues for sports like badminton or ping pong, play time for mother's day out and preschool programs, summer camps, Zumba, Wii bowling for the elderly or wheelchair-bound, and workouts for parents during their children's practice times.

**E. What is the venue/location for Project/Promotional Activity/Community Event?**

A new 99,000 SF facility located at Gabe Nesbitt Community Park.

**F. Provide a timeline for the Project/Promotional Activity/Community Event:**

Depending on the timing of funding and land, MSC plans to begin construction quickly with the hope to be in full operation in late 2014 in time for the winter basketball season.

**G. Detail goals for growth/expansion in future years:**

A large site with room for expansion will allow for growth in the future, including outdoor fields and possibly walking trails. An ancillary goal of MSC is to build and operate its facilities using environmentally-friendly practices. The exact timeline for growth is dependent on the financial situation of MSC and the overall usage rates of the courts. However, expansion will likely be needed in the next five to seven years.

**H. An executive summary / market analysis is attached for your reference.**

**I. Provide specific information to illustrate how this Project/Promotional Activity/Event will enhance quality of life and further business development in the City of McKinney, and support one or more of MCDC's goals:**

The facility will strengthen the quality of life in McKinney by providing additional sports and extracurricular activities to families of the city. Parents without the means to pay for these activities will not be turned away. These types of activities have proven to keep kids off the streets and out of trouble by providing normal scheduled events that promote teamwork and discipline.

The facility has been planned so that the facility can be constructed within budget and operated to be able to sustain itself financially in approximately three (3) years.

### III. Financial

- A. Provide an overview of the organization's financial status including the impact of this grant request.

Please refer to the attached sheets for a current financial summary along with a 5-year projected financial forecast.

- B. Please attach your budget for the current year and audited financial statements for the preceding two years.

Tax returns are attached for your reference.

- C. **What is the estimated total cost for this Project/Promotional Activity/Community Event?**

The Total Amount Requested:

- Requesting MCDC to provide assistance and Guaranty so MSC can obtain a **\$11,981,316.00** construction loan;
- MCDC or City to provide up to **9 acres** at Gabe Nesbitt Park with room to expand at no cost;
- MCDC to provide initial operating capital of **\$250,000.00** for the opening year; and
- MCDC to cover short-term operating shortfall during the first three (3) years which is projected to be approx. **\$500,000.00**

- D. **Please include a budget for the proposed Project/Promotional Activity/Community Event.**

The proposed budget is attached.

- E. **What percentage of Project/Promotional Activity/Community Event funding will be provided by the Applicant?**

Currently, there is not any expected contribution by MSC. However, there will be some contribution as available from existing cash flows to help pay for some initial design fees, etc and professional fees to assist in document preparation and legal services.

- F. **Are matching funds available?**

There are not any matching funds available at this time.

- G. **Are other sources of funding available?**

There are not any other sources available.

#### **IV. Marketing and Outreach**

At present, the marketing efforts of MSC are extremely limited, primarily because the organization is already operating at maximum capacity. MSC is looking forward to opening new facilities and programs and building them up with an extensive marketing campaign. Several key aspects of this campaign are highlighted below.

- *Online presence* – In order to remain competitive with others in the market, MSC will continue to use a website. The current site is operated under allplayers.com, but will move to a more distinctive domain name with MSC's expansion. This site will attract new customers searching for leagues and other information online, and it will provide current customers with tools such as printable forms, schedules, and online enrollment. Also found on the site will be links to social media sites, including Facebook and Twitter.
- *Flyers* – For those who do not discover MSC online, this more traditional form of advertising will also be important. Flyers and brochures describing the organization and all of its offerings will be displayed at schools, community buildings and events, and local education and sports fairs.
- *Direct marketing* – Bringing in the business of select teams and various types of tournaments will be essential to distinguishing MSC from the competition and to its financial success. The needs of these groups will vary, so direct marketing and sales will be the most efficient approach. This will be a key duty of an experienced Operations Manager.
- *Press coverage* – The grand opening of MSC's new facilities will be the first event to be pitched to local media. Since nothing quite like it exists in the area, news organizations and residents alike will be intrigued. Special events will be planned for the Grand Opening, including guest appearances by professional athletes, live music, and family activities such as bounce houses and games. Media coverage will also arise from the hosting of tournaments that will often feature teams from around the country.

#### **V. Metrics to Evaluate Success**

The following goals will be instituted and measured to assure the success of the organization moving forward:

- MSC will be cash flow positive in the 4<sup>th</sup> year after building the facility
- MSC will increase recreational opportunities by adding new sports, seasons, and activities. The overall number of participants will increase by at least 20% in the 1<sup>st</sup> year.
- The economic impact of MSC for the city will be significant due to increased travel to McKinney. MSC will have at least 150,000 in attendance at events in the 1<sup>st</sup> year, with many staying nights in McKinney hotels, eating at McKinney restaurants, and shopping at McKinney retail locations.



# McKinney Sports Connection

2813 Madison Drive, Melissa, Texas 75454



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## I. Executive Summary

McKinney Sports Connection is a non-profit organization founded in 2004 and operates recreational youth leagues for volleyball, basketball, tackle football, flag football, and cheerleading. It also holds the distinction of being a “recognized sports provider” for the city of McKinney, Texas. This plan outlines an expansion for the organization, primarily involving a single new facility. The organization is working to build a large indoor facility with basketball, volleyball, and soccer under one roof.

After the expansion, recreational sports leagues will be available for children aged 4 to 18, as will a limited number of recreational leagues for adults. Additional revenue streams will come from renting facilities to competitive teams for practices and games, as well as from hosting tournaments.

While the facility will continue to serve the recreational needs of McKinney, the major financial driver of the new facility will be the competitive tournaments. These tournaments consistently attract top teams from around the country in basketball and volleyball, with parents paying large amounts to get their kids in the best available tournaments with the top competition. Tournaments will be held nearly every weekend, attracting hundreds of teams to McKinney from around the country, creating significant income for the new MSC facility and a major economic impact to McKinney and Collin County.

The organization has experienced continual success and currently does not have enough access to sports facilities to meet the demands of players. Therefore, McKinney Sports Connection is requesting funding for an expansion, including a new state-of-the-art facility with courts for basketball and volleyball, as well as a full-size soccer field that will be indoors, which will be unique in the region.

### **McKinney Sports Connection Sources and Applications of Funding**

#### **Sources:**

Owner Cash	\$	-
Loan	\$	-
Investment	\$	11,981,316.66
<b>Total Sources:</b>		<b>\$11,981,316.66</b>

#### **Applications:**

Land Acquisition	\$	-
Design & Fees	\$	1,047,491.00
Fields/Courts/Equipment	\$	1,515,300.00
Working Capital	\$	-
Reserve	\$	-
Site Work & Structure Cost	\$	8,804,030.44
Services/Pre-Open Salaries	\$	614,495.22
<b>Total Applications:</b>		<b>\$11,981,316.66</b>

#### **Keys to Success:**

- Untapped Market – McKinney currently does not offer adequate facilities or leagues. The indoor field will be unique to the region.
- Versatility – Adaptable facilities and diverse revenue streams will maximize incoming cash.
- Dedication to Mission – The organization will continue to be an integral part of the community and to place top priority on recreational leagues for all children in McKinney.

## II. The Company

McKinney Sports Connection (MSC) is a non-profit organization established in 2004. It is a “recognized sports provider” for the city of McKinney, Texas, a suburb north of Dallas. Leagues currently available through MSC include volleyball, basketball, tackle football, flag football, and cheerleading. In order to accommodate high demand, these leagues currently practice and play at various facilities around the city of McKinney, including middle school gyms and community centers. However, MSC can no longer create new teams because it has reached maximum capacity utilizing these facilities, many of which have very limited availability because of school schedules. This also keeps MSC from providing opportunities for kids in surrounding smaller cities that are underserved. Therefore, MSC is planning an expansion, including new facilities, as outlined in this plan.

The overall mission of MSC will remain the same, and in fact, will be more easily attained after this expansion. The primary purpose of MSC is to support the community, primarily youth, by offering affordable, high-quality recreational sports leagues. Being involved with sports instills important values such as physical health, accountability, and teamwork. Furthermore, regular practices and games bring a sense of security and structure to many children who otherwise lack those in their lives. In the increasingly competitive world of youth sports, many kids do not make select or school teams, and these kids equally need the outlet and a place to play a sport that they love. Most importantly, the recreational leagues cost approximately \$150, but no child is ever turned away from MSC because of the inability to pay.

Because of its status as a non-profit and its commitment to accepting children from all financial backgrounds, the financial structure of MSC is different than that of many other businesses, including privately-owned sports complexes. Management will occasionally make decisions that are not in the best short-term interest of the budget, for instance, allowing a child to join a team at no cost. However, careful planning and creativity will more than make up for such losses. Options for mitigating these losses include bringing in a large number of programs other than recreational leagues; for instance, select teams and local, state, and national tournaments will be invited, who will all rent space. Bringing in more elite athletes will result in more income, and therefore better facilities and resources for everyone who uses MSC. Grant opportunities will also be pursued by the Financial Manager.

The new facilities constructed for MSC will be in the city of McKinney; however, an exact site has not been finalized. A large site with room for expansion will allow for growth in the future, including outdoor fields and possibly walking trails. An ancillary goal of MSC is to build and operate its facilities using environmentally-friendly practices. This has the added benefit of eligible grant money partially funding construction.

At this time, the greatest need for space is for indoor sports, which will be the focus of the initial expansion. City and zoning requirements will come into play after a site is selected, but metal construction is likely for the building because of its relatively

low cost. Approximately 99,000 square feet will be needed to accommodate projected demand. The facility will include 12 to 14 basketball courts, which can also be used as volleyball courts.

Upon entering the building, there will be a registration desk and waiting area to one side and a concession area offering healthy snacks to the other side. Free wireless access will be available, particularly for the convenience of waiting parents. A small shop will also offer essentials including mouthpieces and knee pads. Straight ahead will be the basketball/volleyball courts, and at the rear of the building will be one full, outdoor-size soccer field, which is 130 yards long by 70 yards wide. Such a field is extremely rare because of the size and expense of construction, making it a huge draw for business. When a regulation-sized field is not needed for games, this large area can be divided into up to three smaller fields for children or for camps and athletic training. Dance, cheerleading, martial arts, baseball, and indoor football are also options on this field, with the added benefits of artificial turf and no weather issues.

One unique feature of the courts at MSC is that they will be separated by state-of-the-art gym dividers. These dividers store compactly at the roof of the facility and roll down electronically as needed. An exact model of curtain will be chosen according to construction specifications at a later point; however, management intends to purchase a model with sound-dampening features, such as those manufactured by Porter Athletics (Divider Curtains, 2013). Sound dampening will distinguish MSC from others in the competition where athletes have multiple courts to play on, but must contend with distracting noises from one court to the next. This will be extremely important to select leagues and hosts of tournaments as they consider venues, giving MSC a distinct competitive advantage over other facilities.

While MSC will not organize select teams of its own, such teams will be allowed to rent facilities for practices, games, and tournaments. Renting is an excellent opportunity for both sides: MSC brings in additional income to enhance its recreational leagues, and outside leagues are able to use large, comfortable, state-of-the-art facilities. Presently, many select leagues in towns north of McKinney drive through McKinney to use facilities in Plano or Frisco. Organization, ample courts/fields, good officials, and high-quality facilities will certainly attract this key target market.

For almost a decade, MSC has proven itself as a successful organization that meets its goals of providing affordable recreational leagues to the entire community, all on limited resources. The new facility will allow the organization to reach a new level of achievement. Instead of funneling money into the school district and other facilities to rent space, with its own building, MSC will be reinvesting in its own operations. Advertising sponsors at the facility, for example on the court and on scoreboards, will bring in additional revenues. Furthermore, for those children and adults with a passion for sports, year-round leagues can be offered instead of relying on the seasonal availability of school gymnasiums.

In addition to President Paul Anderson, MSC will also now require an Operations Manager. This individual must have a passion for working with children and have experience with both recreational and competitive leagues. A Financial Manager will be charged with balancing the needs of the recreational players with the opportunities for additional revenue streams. In addition, several part-time employees will be required for the registration desk, custodial duties, concession stand, and shop. Luckily, MSC has a strong volunteer base, and many of these duties, as well as set-up of courts, can be handled by dedicated volunteers. Offering online registration also limits the required duties of the registration desk, as 95 percent of players currently register online.

At present, MSC outsources officiating to North Texas Sports Officials. At the new facility, management intends to have an experienced Officials Manager who would supervise the work of all officials during games. With a large number of divided courts, a manager will be crucial to ensuring that all officials are on task and not engaging in distracting behavior like texting or leaving their posts. If MSC is to attract select teams and competitive tournaments, the quality of officials will be more important than ever before.

The busiest hours for recreational leagues will be weekdays from 4 pm to 9 pm for younger players and up to midnight for adults. Saturdays, as well as Sunday afternoons, will typically be booked with games and tournaments. Weekdays will be available for a variety of possible activities in order to maximize revenues.

With such a large and versatile facility in this growing area, MSC has the potential to be constantly in-use. The recreational leagues, as well as competitive games and tournaments described above, will be the main focus of MSC's operations. However, management is considering a variety of possibilities to fill available court space and maximize revenue. These include additional leagues for sports like badminton or ping pong, play time for mother's day out and preschool programs, summer camps, Zumba, Wii bowling for the elderly or wheelchair-bound, and workouts for parents during their children's practice times.

A long-term goal of MSC is to offer an entire sports complex, including outdoor fields and separate buildings for additional sports. As Dallas' urban sprawl continues to move northward, McKinney is rapidly developing rural areas. Once the proper site is selected for MSC's facilities, management intends to present to the city the idea of constructing a much-needed convention center nearby. This would contribute to the draw of national-level tournaments and sporting events. It would also open up new commerce opportunities like hotels and restaurants that would benefit both the city of McKinney and MSC.

### III. The Industry

Recreational youth sports leagues will continue to be the primary source of revenue for MSC, and therefore data regarding the youth sports industry is the most relevant for this analysis. Adult recreational leagues will be a secondary source of revenue, as will facility rentals by select leagues and tournaments.

Youth sports are extremely popular in the United States with approximately 60 million children playing, as indicated by a recent study by the National Council on Youth Sports (NCYS). Often, players will enroll in more than one sport and/or in more than one league simultaneously. Therefore, the actual number of children participating in youth sports is estimated to be 44 million. Among those 44 million children, approximately 66 percent are boys and 34 percent girls. This figure does not vary significantly, even with an increase in participation (NCYS, 2008).

Not only is the youth sports industry large in scale, it is also a lucrative industry, bringing in an estimated \$5 billion annually (Jones et al., 2010). The same NCYS study cited previously also found that overall participation in youth sports is increasing. With that increase comes an increase in revenue potential for organizations like MSC. Despite an increase in the number of privately-owned sports facilities, the study pointed out that youth sports programs still relied upon community-owned facilities and community involvement (NCYS, 2008). With its new facilities, MSC will be able to take advantage of aspects of both commercial and community facilities. The amenities it offers and its facilities rental revenue will place it in direct competition with privately owned complexes like those described in the Competition and Market Share section of this plan. However, it will still be operating as a non-profit to serve the needs of the community and will still be a “recognized sports provider” for the city of McKinney.

In order to most effectively allocate its resources and schedule its sports, MSC will need to understand trends in youth sports participation. The tables below illustrate the percentages of boys and girls in each age bracket up to 18 to 2000 and 2008.

#### **2000**

	<i>6 &amp; under</i>	<i>7-9</i>	<i>10-12</i>	<i>13-15</i>	<i>16-18</i>
Boys	71%	54%	57%	65%	66%
Girls	29%	46%	43%	35%	34%

#### **2008**

	<i>6 &amp; Under</i>	<i>7-9</i>	<i>10-12</i>	<i>13-15</i>	<i>16-18</i>
Boys	64%	60%	70%	73%	63%
Girls	36%	40%	30%	27%	37%

Source: National Council on Youth Sports: Report on Trends and Participation in Organized Youth Sports 2008 (p.11)

Perhaps the most notable trend indicated by the data above is that more girls are participating in sports in the youngest age group. This introduction to sports will likely

begin lifelong passions and hobbies, and therefore increased gender equality in youth sports in the future. Since participation is the single greatest driver of revenue in youth sports, organizations like MSC must adjust their offerings accordingly. This also extends to other components of the industry, such as manufacturers of sports equipment. As the increased number of young girls participating in sports grows older, changes in youth sports may well result in some changes at the adult and professional levels as well. For instance, different types of companies are likely to begin advertising during professional sports if more and more fans and amateur players are female.

One significant benefit of MSC's location in northeast Texas is that of climate. During the initial phase of its expansion, all of MSC's new facilities will be indoors and climate will not be much of a concern. However, when outdoor sports are introduced on-site in the future, practices and games will likely be able to be held year-round, particularly with the use of the artificial turf. This will distinguish MSC from many other youth sports leagues, as only 13 percent of youth sports programs are offered during the winter (NCYS, 2008). Year-round operation, in conjunction with extraordinary facilities, will also increase the likelihood of regional- and national-level tournaments choosing MSC as a host.

While MSC will not be creating select teams of its own, it will be marketing directly to these teams to bring them in to the facility for practices, games, and tournaments. Therefore, it is essential to understand the impact that select youth teams are having on the industry. Select teams are tryout-based and offer the most talented young athletes an opportunity to play at a more competitive level. These teams can be very expensive, and the same children who play on them often also attend camps and training sessions that are equally unaffordable, and therefore exclusionary to many. In addition to bragging rights, many young athletes and parents seek out select leagues to hopefully increase their chances of scholarships or professional play later in life.

Because of great variety and the fact that they are run privately, reliable figures on the numbers of select teams are not available. However, by extrapolating data from practically any metropolitan area of the country, one can assume that there are thousands of select teams for every popular sport. Some of these organizations do own their facilities, but many rely on renting space from complexes like MSC. This is particularly true for indoor facilities, like those at MSC. The NCYS estimates that youth sports in general use private facilities 36 percent of the time for indoor activities, versus only 14 percent of the time for outdoor activities (2008).

While the players in youth leagues are all minors, a vast number of adults are also involved in the industry, contributing to its size and power. The NCYS estimates that 7.5 million adults are involved in youth sports in capacities such as coach, official, league administrator, or volunteer (2008).

As mentioned above, with its expansion, MSC will begin offering adult recreational leagues as well. These leagues will be fewer in number at MSC, but they will be an important source of revenue. They will most likely be scheduled later in the



evenings to avoid conflicts with youth sports and to accommodate the work schedules of participants.

As are youth leagues, adult recreational leagues are extremely popular in the United States. Two notable nationwide examples are the United States Adult Soccer Association, which has 250,000 active amateur players, and the National Adult Baseball Association, which has 25,000 players. Local organizations, such as the YMCA and even corporate leagues and college intramurals, are extremely popular. Niche markets exist for every recreational sport from Australian Rules football to fencing. The types of adult sports leagues available, in both public and private settings, are abundant. While that makes significant data difficult to identify, it does indicate that levels of demand and participation are high, which equates to the success of facilities like MSC.

This is particularly true in McKinney because, despite high levels of interest and participation in sports among its residents, very few options are available in the city. In fact, as seen by the table below, in the most recent quarter of the fiscal year 2012-2013, almost \$30 million of new business was built in the city. Only \$40,000 of that went to recreational facilities, and that was for a renovation for The Beach at Craig Ranch, which specializes in sand volleyball (“New Business,” 2012).

**NEW BUSINESS IN MCKINNEY BY QUARTER  
(FY 2012-13) AS OF DECEMBER 31, 2012**

First Quarter October - December 2012	New Building Sq Ft	Interior Finish Out Sq Ft	Construction Valuation
OFFICE	97,189	35,536	\$15,064,000
RESTAURANT	6,626	7,400	\$2,047,000
RETAIL/SERVICE	0	39,005	\$597,108
INDUSTRIAL	100,215	5,250	\$6,135,000
INSTITUTIONAL	0	4,382	\$10,000
MEDICAL	15,886	33,568	\$4,827,365
RECREATION	0	1,460	\$40,000
<b>1ST QTR TOTAL</b>	<b>219,916</b>	<b>126,601</b>	<b>\$28,717,473</b>

(Source: <http://www.mckinneytexas.org/archives/45/New%20Bus%201st%20Q%2012->

Now is the ideal time for MSC to expand as it takes advantage of high demand and low supply of quality sports facilities, particularly those dedicated to recreational players.

#### IV. Market Analysis

The primary target market of MSC after its expansion will be youth players aged 4 to 18. Adult leagues will be a secondary market. This is a large increase from the age group currently served, which is kindergarten to 6<sup>th</sup> grade for football and kindergarten to 7<sup>th</sup> or 8<sup>th</sup> grade for other sports. In the past, MSC has not been able to offer more teams because of a lack of space. The new facility will finally tap into the market demand for more recreational leagues for adults, as well as for kids who do not make school teams or who want additional playing opportunities.

While some select teams and other competitive leagues from outside the city will be using the facilities at times, the vast majority of recreational players will come from the city of McKinney. This city and other areas immediately outside the city are experiencing rapid growth, and as the demographics below illustrate, it will prove to be an excellent home for MSC's new facilities.

McKinney, Texas is the county seat of Collin County, and the second most populous city in the county, behind Plano. The most recent United States Census listed it as the 19<sup>th</sup> most populous city in Texas. In September 2012, CNN's Money Magazine named McKinney the 2<sup>nd</sup> Best Place to Live in the entire country, up from 5<sup>th</sup> place in 2010 ("McKinney, Texas," 2013).



(Source: <http://www.mckinneyedc.com>)

As seen in the following table, the 2010 census population of McKinney was almost 95,000. Some current estimates exceed 130,000, illustrating the substantial growth taking place in the area ("McKinney, Texas," 2013). The population is roughly



three times what it was in 1990 and is anticipated to continue growing at a rate almost five times that of the national average through 2014. It is also a young population, with a median age of 31.5 versus the national median age of 35.6. This large, young population will provide more than adequate demand to use MSC's programs and facilities to capacity.

### Population Growth and Population Statistics

2010 Population Growth and Population Statistics	McKinney, TX	Texas	United States
Total Population	94,729	25,028,293	308,455,134
Square Miles	190.58	261,797.12	N/A
Population Density	497.10	95.60	87.20
Population Change Since 1990	286.48%	47.32%	24.02%
Population Change Since 2000	74.23%	20.03%	9.61%
Forecasted Population Change by 2014	21.23%	9.71%	4.52%
Population Male	50.75%	50.01%	49.48%
Population Female	49.25%	49.99%	50.52%
Median Age	31.50	32.30	35.60

(Source of all demographic tables in this section: <http://www.clrsearch.com/McKinney-Demographics/TX/>)

As specified above, the primary target market of players at MSC will be youth aged 4 to 18. The table below illustrates that the McKinney population has a larger percentage of its population in every age group under 18 than the country does as a whole. The groups in which McKinney has a lower percentage of its population than the state or nation fall on the senior end of the spectrum. While occasional programs may be offered for them at MSC, these individuals are not likely to be a key market.

## Population by Age

2010 Population by Age	McKinney, TX	Texas	United States
Median Age	31.50	32.30	35.60
Age 0-5	12.33%	10.07%	8.84%
Age 6-11	10.35%	9.22%	8.41%
Age 12-17	8.87%	9.44%	8.65%
Age 18-24	8.16%	10.78%	9.94%
Age 25-34	15.80%	14.48%	13.40%
Age 35-44	16.53%	13.86%	13.74%
Age 45-54	13.08%	13.51%	14.32%
Age 55-64	8.65%	9.46%	10.80%
Age 65-74	3.40%	4.96%	6.11%
Age 75-84	1.96%	2.95%	4.04%
Age 85+	0.88%	1.27%	1.75%

Not only does McKinney offer an ideal population for MSC's needs in terms of growth and age, it is also one that will, in general, offer adequate purchasing power to enroll in programs at the facility. Household income levels in the city far exceed those of both the state and the country. McKinney has a median household income of \$71,249, versus a state median of \$54,591 and a national median of \$55,970. The city has an average household income of \$87,935, versus a state average of \$73,571 and a national average of \$74,974.

McKinney also has a larger percentage of its residents in every income bracket \$50,000 or more than either the state or the country. Similarly, it has fewer residents in the lower income brackets. For instance, only 7.31 percent of households in McKinney have incomes of less than \$15,000, as opposed to around 12 percent at both the state and national level.

The vast majority of players desiring to register in programs at MSC will have adequate financial resources to do so, which is obviously beneficial to the organization. However, it is imperative to the mission of MSC that no child ever be excluded for financial reasons. Therefore, full and partial fee reductions will continue to be offered.



## Household Income Statistics

2010 Household Income Statistics	McKinney, TX	Texas	United States
Total Area Household Income	\$2,804,413,567	\$665,642,637,800	\$8,877,041,207,141
Median Household Income	\$71,249	\$54,591	\$55,970
Average Household Income	\$87,935	\$73,571	\$74,974
Per Capita Household Income	\$29,605	\$26,596	\$28,779
<b>Income Distribution</b>			
Income Less than \$15,000	7.31%	12.37%	11.96%
Income \$15,000 to \$24,999	7.05%	9.39%	9.15%
Income \$25,000 to \$34,999	8.06%	10.28%	9.99%
Income \$35,000 to \$49,999	10.97%	14.55%	14.37%
Income \$50,000 to \$74,999	19.54%	18.55%	18.95%
Income \$75,000 to \$99,999	16.24%	13.62%	14.07%
Income \$100,000 to \$124,999	11.13%	8.36%	8.54%
Income \$125,000 to \$149,999	6.69%	5.01%	5.01%
Income \$150,000 to \$199,999	6.47%	3.58%	3.59%
Income \$200,000 and Over	6.53%	4.28%	4.38%

## Quality of Life Indexes

2010 Quality of Life Indexes	McKinney, TX	Texas	United States
Quality of Life Index	171	127	100
Amusement Index	184	92	100
Culture Index	181	65	100
Earthquake Index	21	20	100
Education Index	137	54	100
Medical Index	149	46	100
Mortality Index (All Causes)	27	19	100
Religion Index	155	112	100
Restaurant Index	152	77	100
Weather Index	184	175	100

As seen by the fact that McKinney has been consistently voted one of the best places to live in the United States, it offers residents an extremely high quality of life. The table above illustrates that the city offers a great deal of advantages that will attract

and keep families, and therefore a market for MSC, in the area. These include tremendous educational and medical facilities, as well as exciting entertainment options.

Ease of travel will also encourage groups from outside the region to utilize MSC's facilities. McKinney is only a 25-minute drive from DFW International Airport, the eighth busiest airport in the world ("Dallas/Fort Worth International Airport," 2013). It is also only a 35-minute drive to Love Field, the home of Southwest Airlines (MEDC, n.d.).

McKinney places strong emphasis on business development and the city offers an ideal combination of availability of land, competitive incentives, a highly educated workforce, proximity to major markets, a nationally acclaimed quality of life, and excellent schools. Therefore, the city is anticipated to remain an excellent location for new business ventures like MSC in the future (MEDC, n.d.).

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# **APPENDIX**

McKinney Sports Connection Participation							
Sport	2007	2008	2009	2010	2011	2012	2013
Basketball		829	1057	1067	1792	1541	1218
% Growth			28%	1%	68%	-14%	-21%
Tackle Football	844	960	1021	1184	949	942	
% Growth		14%	6%	16%	-20%	-1%	
Flag Football/Spring		124	278	301	347	443	
% Growth			124%	8%	15%	28%	
Flag football/Fall					423	364	
% Growth						-14%	
Volleyball/Spring	331	502	468	434	528	559	
% Growth		52%	-7%	-7%	22%	6%	
Volleyball/Fall		384	374	429	492	414	
% Growth			-3%	15%	15%	-16%	
Cheerleading/Spring					19	23	
% Growth						21%	
Cheerleading/Fall			184	166	187	208	
% Growth				-10%	13%	11%	
<b>Total</b>	<b>1,175</b>	<b>2,799</b>	<b>3,382</b>	<b>3,581</b>	<b>4,737</b>	<b>4,494</b>	
		138%	21%	6%	32%	-5%	

## Typical Saturday afternoon/evening schedule at FieldhouseUSA in Frisco.

*Note that courts 1-6 are being utilized by the 2013 SWAAU District Qualifier Basketball Tournament.*

The screenshot shows a detailed schedule for Saturday, April 13, 2013. The interface includes a date selector, navigation buttons (Home, Week, Month, Today), and a grid for 11 courts. The time slots are 15-minute intervals. Courts 1-6 are filled with tournament games. Courts 7-11 have a mix of practices, clinics, and other events. A legend on the right side of the grid identifies different event types by color.

## Tournament schedule at Fieldhouse USA in Frisco for April and May 2013:

- Texas Tip Off - hosted by Sista Hoops - April 6-7
- SWAAU District Championships - hosted by Next Level Ballers - April 12-14
- Texas Juco Slam Jam - hosted by Premier Basketball Tournaments - April 19
- Heart of Texas Showcase - hosted by Premier Basketball Tournaments - April 19-21
- 2013 Ballers Only Tournament - hosted by Opportunity for Youth - April 26-28
  - 2013 Cinco de Mayo - hosted by Sista Hoops - May 4-5
  - Nike Elite Youth Basketball League - hosted by Nike - May 10-12
  - 2013 Big Dogs Hoops Showdown - hosted by Opportunity for Youth - May 17-19
- 2013 Gary Blevins Memorial Weekend Classic - hosted by Premier Basketball Tournaments - May 25-26

## 5 YEAR PROJECTED CASH FLOW SUMMARY

### McKinney Sports Connection Projected Cash Flow Statement: 5 Year Summary

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash Receipts:</b>					
Court/Field Rental	\$ 259,200	\$ 319,680	\$ 406,080	\$ 432,000	\$ 518,400
Food & Beverage	\$ 286,139	\$ 331,527	\$ 348,103	\$ 365,509	\$ 383,784
All Other Revenues	\$ 2,314,550	\$ 2,592,840	\$ 2,892,350	\$ 3,150,950	\$ 3,330,950
<b>Total Cash Receipts:</b>	<b>\$ 2,859,889</b>	<b>\$ 3,244,047</b>	<b>\$ 3,646,533</b>	<b>\$ 3,948,459</b>	<b>\$ 4,233,134</b>
<b>Cash Disbursements:</b>					
Material Costs	\$ 201,569	\$ 225,785	\$ 245,567	\$ 263,545	\$ 277,845
Variable Labor	\$ 781,826	\$ 853,983	\$ 1,032,867	\$ 1,129,139	\$ 1,193,720
Salaries - Management	\$ 397,228	\$ 418,015	\$ 437,989	\$ 453,076	\$ 471,084
Operating Expenses	\$ 303,633	\$ 312,045	\$ 331,323	\$ 342,108	\$ 357,869
Payroll Taxes and Benefits	\$ 90,123	\$ 114,602	\$ 119,119	\$ 123,274	\$ 127,853
Facility Expenses	\$ 496,729	\$ 511,631	\$ 526,980	\$ 542,789	\$ 559,073
Loan - Other	\$ 928,503	\$ 928,503	\$ 928,503	\$ 928,503	\$ 928,503
<b>Total Cash Disbursements:</b>	<b>\$ 3,199,611</b>	<b>\$ 3,364,564</b>	<b>\$ 3,622,348</b>	<b>\$ 3,782,434</b>	<b>\$ 3,915,947</b>
<b>Net Cash Flow:</b>	<b>\$ (339,722)</b>	<b>\$ (120,517)</b>	<b>\$ 24,185</b>	<b>\$ 166,025</b>	<b>\$ 317,187</b>
<b>Cumulative Cash Flow:</b>	<b>\$ (339,722)</b>	<b>\$ (460,239)</b>	<b>\$ (436,054)</b>	<b>\$ (270,029)</b>	<b>\$ 47,158</b>

\* Includes credit card fees, a budget for equipment repair, and other miscellaneous expenses

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

MAY 29 2007

MCKINNEY SPORTS CONNECTION  
C/O PAUL ANDERSON  
4333 LOS ROBLES DR  
PLANO, TX 75074

Employer Identification Number:  
20-8698624  
DLN:  
17053103033037  
Contact Person:  
RONALD D BELL ID# 31185  
Contact Telephone Number:  
(877) 829-5500  
Accounting Period Ending:  
December 31  
Public Charity Status:  
509(a) (2)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
February 28, 2005  
Contribution Deductibility:  
Yes  
Advance Ruling Ending Date:  
December 31, 2009

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. During your advance ruling period, you will be treated as a public charity. Your advance ruling period begins with the effective date of your exemption and ends with advance ruling ending date shown in the heading of the letter.

Shortly before the end of your advance ruling period, we will send you Form 8734, Support Schedule for Advance Ruling Period. You will have 90 days after the end of your advance ruling period to return the completed form. We will then notify you, in writing, about your public charity status.

Please see enclosed Information for Exempt Organizations Under Section 501(c)(3) for some helpful information about your responsibilities as an exempt organization.

Letter 1045 (DO/CG)

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2011 calendar year, or tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization: **McKinney Sports Connection**  
 Doing Business As \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite: **2813 Madison Drive**  
 City or town, state or country, and ZIP + 4: **Melissa, TX 75454**  
 F Name and address of principal officer: **Paul Anderson**  
**2813 Madison Drive, Melissa, TX 75454**

**D** Employer identification number: **20-8698624**

**E** Telephone number: **972-832-9256**

**G** Gross receipts \$: **513,367.**

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**H(c)** Group exemption number ▶ \_\_\_\_\_

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶ **www.mckinneysportsconnection.org**

**K** Form of organization:  Corporation  Trust  Association  Other ▶ \_\_\_\_\_

**L** Year of formation: **2005** **M** State of legal domicile: **TX**

**Part I Summary**

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: <b>To provide area youth with a safe environment to learn and excel in sports.</b>	
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 2
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 2
	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5 4
	6	Total number of volunteers (estimate if necessary)	6 350
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a 0.
7b	Net unrelated business taxable income from Form 990-T, line 34	7b 0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	0. 0.
	9	Program service revenue (Part VIII, line 2g)	391,971. 513,367.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0. 0.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0. 0.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	391,971. 513,367.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0. 0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0. 0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	33,785. 50,219.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0. 0.
	b	Total fundraising expenses (Part IX, column (D), line 25)	0.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	321,472. 486,333.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	355,257. 536,552.
19	Revenue less expenses. Subtract line 18 from line 12	36,714. -23,185.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 173,085. End of Year 149,900.
	21	Total liabilities (Part X, line 26)	0. 0.
	22	Net assets or fund balances. Subtract line 21 from line 20	173,085. 149,900.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: **Paul Anderson, President** Date: \_\_\_\_\_  
 Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name: **Peter M Carrell, CPA** Preparer's signature: *[Signature]* Date: **08/07/12** Check if self-employed:  PTIN: **P00285103**  
 Firm's name: **Peter M. Carrell & Company, LLC** Firm's EIN: **20-0488191**  
 Firm's address: **115 S. Kentucky Street** Phone no.: **(972) 542-8889**  
**McKinney, TX 75069**

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**Return of Organization Exempt From Income Tax**

**2010**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

**A** For the 2010 calendar year, or tax year beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>McKinney Sports Connection</b>		<b>D</b> Employer identification number <b>20-8698624</b>
	Doing Business As		<b>E</b> Telephone number <b>972-832-9256</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>391,971.</b>
	<b>2813 Madison Drive</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
City or town, state or country, and ZIP + 4 <b>Melissa, TX 75454</b>		<b>H(c)</b> Group exemption number ▶	
<b>F</b> Name and address of principal officer: <b>Paul Anderson</b> <b>2813 Madison Drive, Melissa, TX 75454</b>			
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>www.mckinneysportsconnection.org</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>2005</b>	<b>M</b> State of legal domicile: <b>TX</b>

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>To provide area youth with a safe environment to learn and excel in sports.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>2</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>2</b>
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a)	<b>5</b>	<b>3</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>350</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year <b>0.</b>	Current Year <b>0.</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>387,461.</b>	<b>391,971.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 5)	<b>0.</b>	<b>0.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9e, 10c, and 11e)	<b>0.</b>	<b>0.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>387,461.</b>	<b>391,971.</b>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>0.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>37,694.</b>	<b>33,785.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<b>323,714.</b>	<b>321,472.</b>	
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>361,408.</b>	<b>355,257.</b>	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>26,053.</b>	<b>36,714.</b>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year <b>136,371.</b>	End of Year <b>173,085.</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>0.</b>	<b>0.</b>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>136,371.</b>	<b>173,085.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer	Date			
	<b>Paul Anderson, President</b> Type or print name and title				
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>Peter M Carrell, CPA</b>	Preparer's signature <i>Peter M Carrell</i>	Date <b>09/26/11</b>	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ▶ <b>Peter M. Carrell &amp; Company, LLC</b>	Firm's EIN ▶		Phone no. <b>(972) 542-8889</b>	
	Firm's address ▶ <b>115 S. Kentucky Street McKinney, TX 75069</b>				

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No